
Differences between US/UK and Eurozone financial systems: Two key consequences – and a word of caution

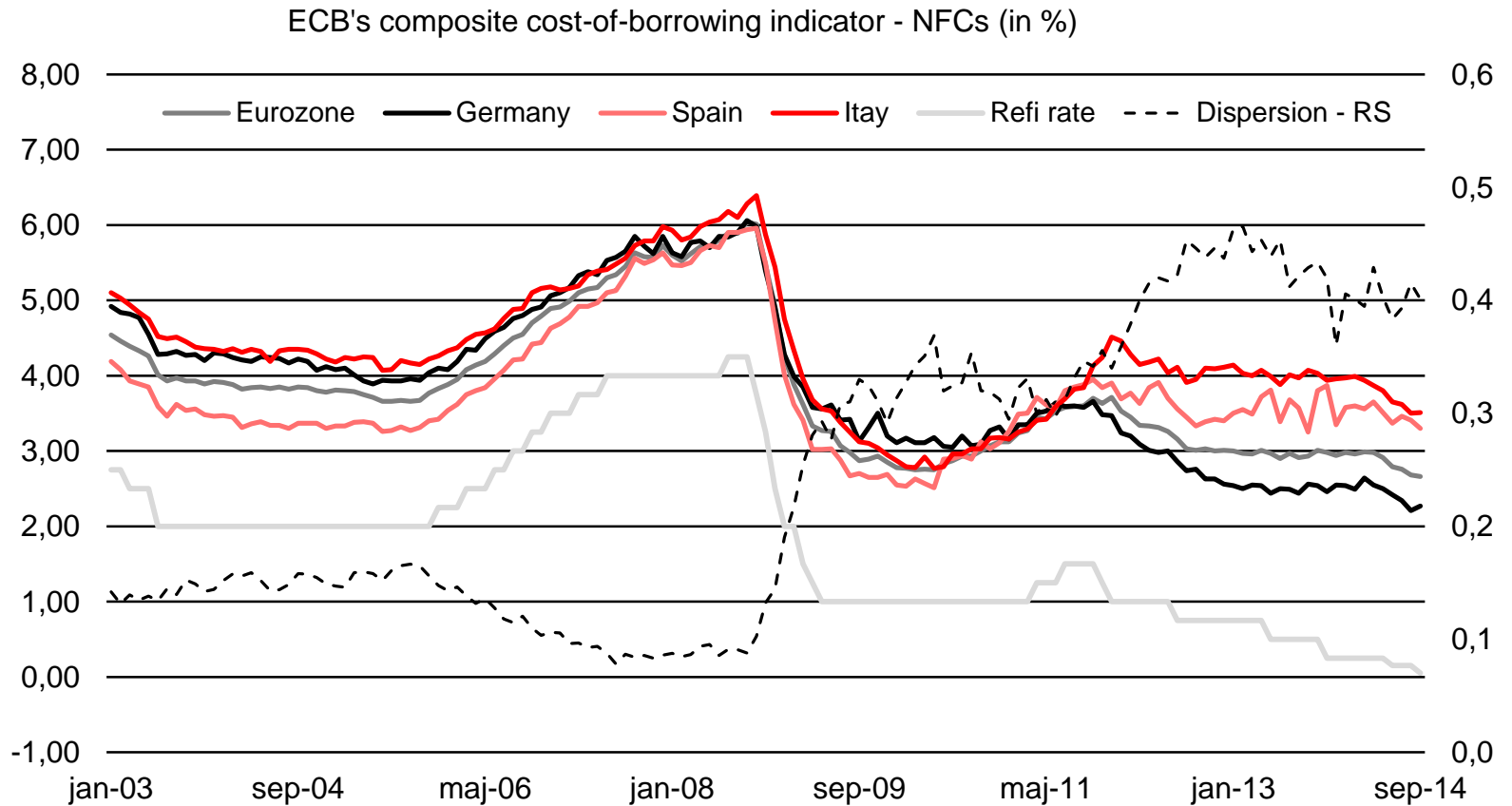
Erik F. Nielsen, Global Chief Economist, UniCredit Group

Copenhagen, December 2014

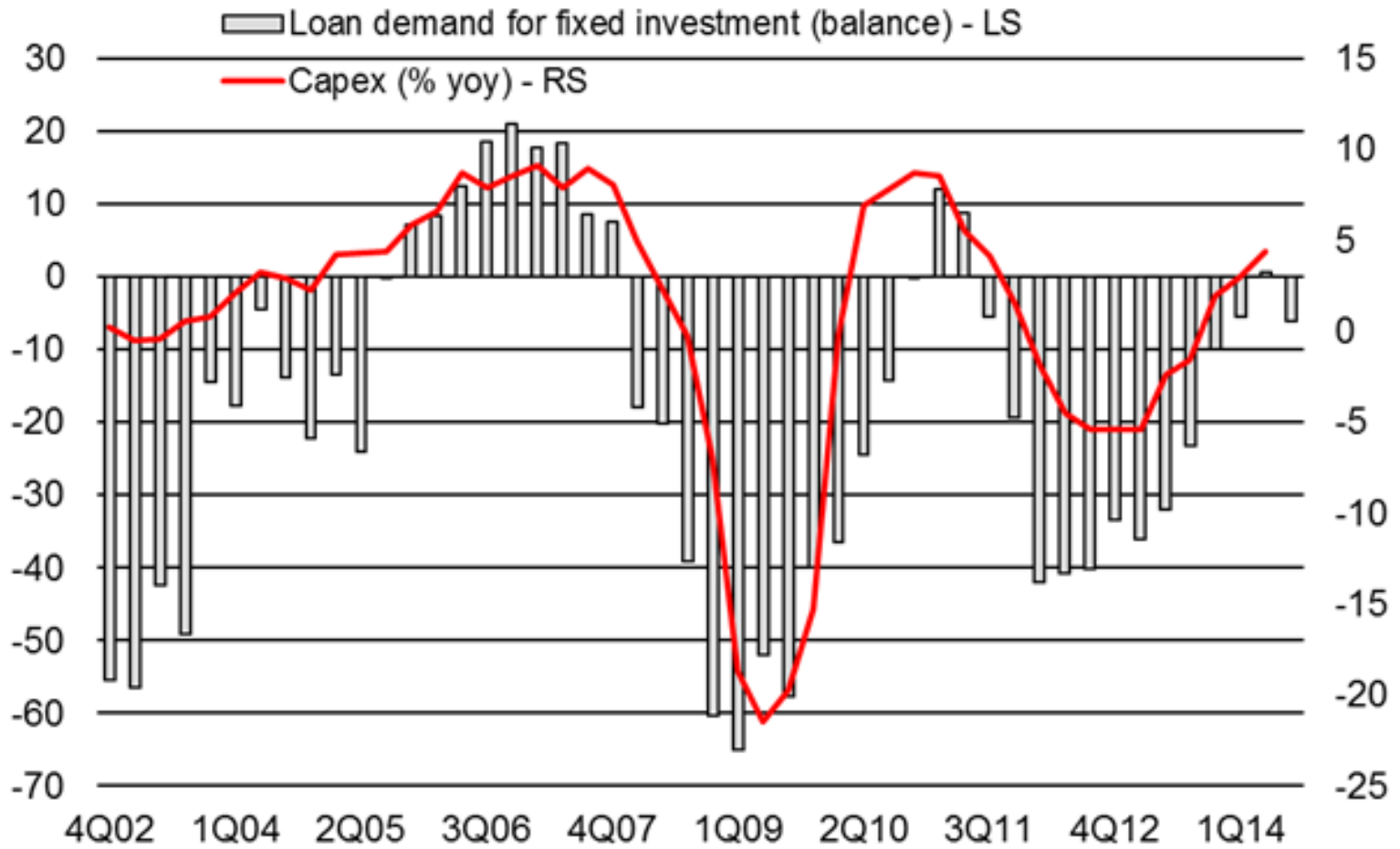
US/UK vs Eurozone financial systems: Two key consequences – and a word of caution

- Transmission of stimulus via central bank balance sheet expansion
- The cost of "fixing" the banking system in the middle of a great recession
- Easy/desirable to change to a securities based system?

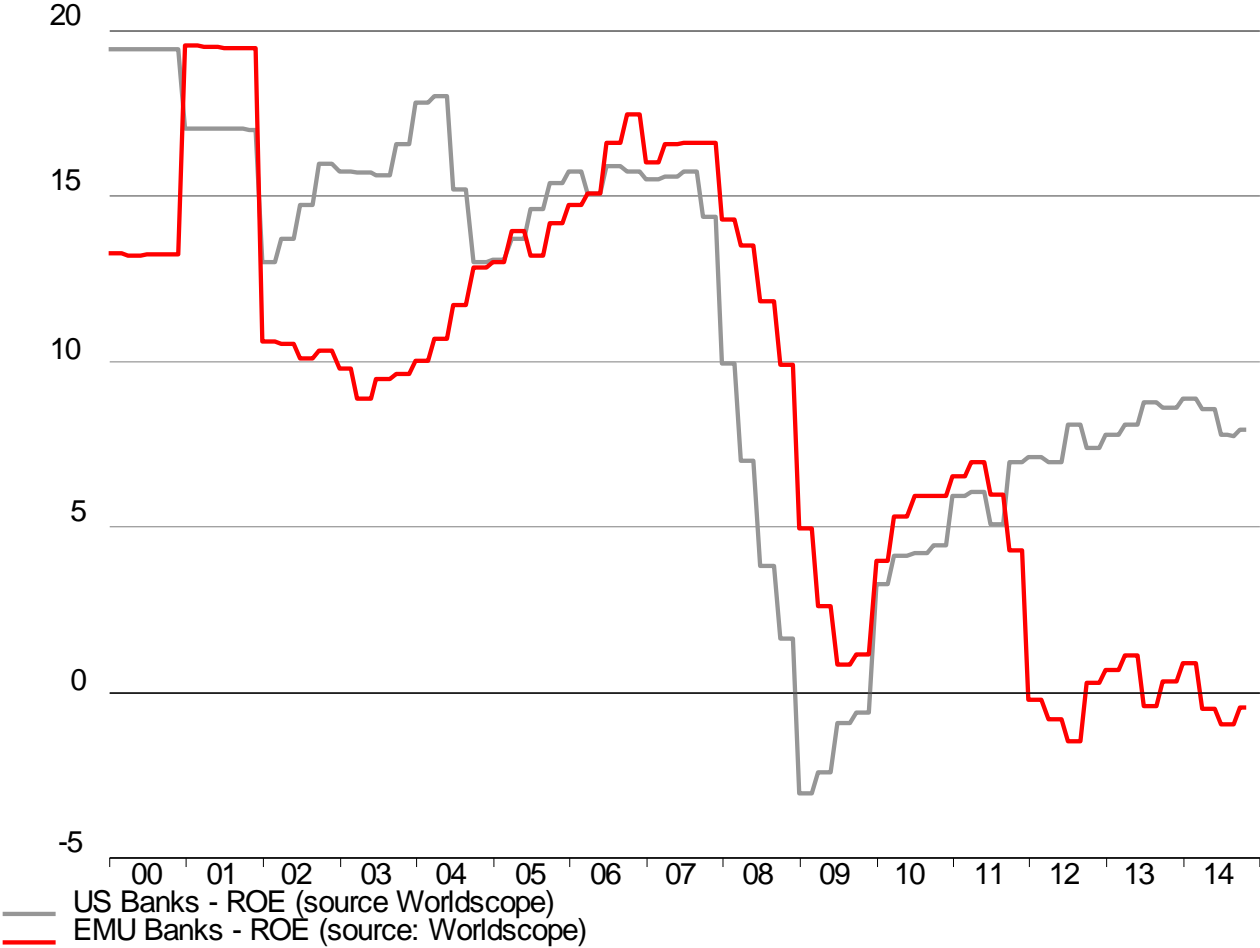
A broken transmission mechanism



Loans do not lead capex!



ROE Banks: Comparison of EMU versus US



Source: Thomson Datastream, UniCredit Research

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Corporate & Investment Banking

UniCredit Bank AG, Munich
as of 15 December 2014

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